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On the Subject of Tariffs and Trade

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5. The Neo-Manichean Maxim

Now, for the crucial, concluding feature of this report, we turn our attention to the promised discussion of the “goldfish bowl” syndrome. For examples of that syndrome, look at some among the most notable sources of opposition to what I have proposed. Take the case of variations on the theme of that neo-Manichean maxim known by such names as “laissez-faire” or “free trade.”

“Baby needs shoes!” exclaimed the dice-thrower. The fact that the dice-thrower’s prayer is not that of a Christian, does not mean he is not a very, very religious person. Belief in “luck,” bad or good, is a form of pagan religion; it is, among others, the religion of those known variously as the “Bogomils” or “Cathars,” and the followers of the notorious real-life “Elmer Gantry” of our nation’s Eighteenth-Century history, the charlatan Jonathan Edwards.

These are not to be condemned as wicked merely because they are neither, in actuality, Christian, Jewish, nor Muslim. They are condemned only when a paganism, such as that of the Roman imperial pantheon, corresponds to a systemic rationalization of the categorical degradation of a part of mankind to the status of human cattle. The revival of an evil sort of pagan cult by “Julian

the Apostate” is notable, because of the implicit adoption of Julian as a model adopted by the leading political figure of late-Eighteenth-Century Britain, Lord Shelburne. Shelburne’s house historian, Edward Gibbon, searching for a means by which the newly emerging, post-1763 empire of the British East India Company might avoid the doom of the ancient Roman Empire, blamed Christianity for the fall of Rome’s empire, and proposed the Byzantine Emperor Julian the Apostate as a model to be used by Britain.⁴⁸

The policies of Shelburne’s Adam Smith, Jeremy Bentham, and their followers Castlereagh, Palmerston, and Russell, were in fact essentially pro-paganist in the tradition of Gibbon’s doctrine. A parallel pro-paganist imperialist dogma had arisen within the ranks of western Christian clergy as the ultramontane, neo-Roman imperialist doctrine promulgated under the rubric of the mythical “Donation of Constantine.” This form of paganism, under nominally Christian pretexts,

48. As my associates and I have documented in various published locations, the features of Gibbon’s connections relevant to the subject of this report, are essentially, the following. Gibbon, one-time suitor of the wife, Suzanne, of the infamous Jacques Necker, was an intimate associate of the circles of Voltaire at Ferney. The decisive developments in the careers of both Necker and Gibbon are contained within the interval 1763-1790, the period of the rise of Lord Shelburne’s British East India Company as, in fact, the British Empire, already during that period. It was during this same period that the East India Company’s French assets, the Martinist freemasonic cult, prepared the events of 1789-1815 which ended all future French challenge to the British Empire to the present date. These circles intimately overlapped those Physiocrats who, as key figures of the enlightenment, played a crucial role, complementary to the Martinists in both the French Terror and the tyranny of Napoleon Bonaparte. Gibbon’s view in his **History**, and those economic policies of the East India Company which have been, repeatedly, so ruinous in their effects on the U.S. economy, should be understood against those included features of the case of Gibbon.

became the characteristic feature of the gnostic cults developed around the post-Charlemagne, imperial power of the Venetian financier oligarchy and its Norman allies, through the Fourteenth-Century New Dark Age. The Sixteenth-Century resurgence of the anti-Renaissance forces, led by Venice, expressed the same gnostic tradition as the earlier Venice, as did the Seventeenth/Eighteenth-Century rise of Anglo-Dutch Liberal forms of pro-imperialist currents.

That kind of paganism is expressed inside the U.S.A. still today, as the religion of Bernard Mandeville and François Quesnay, and the U.S.-hating Adam Smith,⁴⁹ and is simply the blind faith expressed by popular compulsive gambling in either casinos, up a rub-bish-strewn back ally, or in today's financial markets. The essential, functional distinction of these gnostic currents of belief, is the defense of the herding of the majority of humans as either hunted or herded forms of human cattle. Hence, the form of law which practices the denial of man and woman as being made equally in the likeness of the Creator, and bans from the domain of mortal life those of mankind's rights which inhere in that likeness, is behavior typical of the obnoxious types of paganism to which I refer here.

Thus, for example, Mandeville's and Friedrich von Hayek's god, was Satan: he insisted, explicitly, that private vices magically promote the wealth of the nation.⁵⁰ Quesnay's god, lurking under the floorboards, dispenses wealth magically to the titled landlord, while relegating those who actually produce that wealth to the status of herded human cattle on the estate. John Locke's notion of "Property," or U.S. Associate Supreme Court Justice Antonin Scalia's radically nominalist conception of "shareholder value," are derived from the same pagan notions of axiomatically irrational, magical

49. Not only was Adam Smith's 1776 **The Wealth of Nations**, a British East India Company propaganda-tract against U.S. independence, Smith had been enlisted, already in 1763, by his patron, the India Company's Lord Shelburne, to work on a plan for wrecking the economy of the English-speaking North American colonies. Adam Smith's predilection for such Cathar-like notions did not begin within his 1776 **The Wealth of Nations**. In his 1759 **The Theory of the Moral Sentiments**, he was already insisting upon a "Great Director of Nature" who manipulated men and women for their own benefit through their vices. Similar notions permeate the empiricist tradition down to the present-day paganists' religious devotion to "the magic of the marketplace."

50. Bernard Mandeville, **The Fable of the Bees: Private Vices, Public Virtues** (1714, 1734). Mandeville was adopted as "the patron un-saint" of the Mont Pelerin Society of von Hayek and Milton Friedman. Cf., on Mandeville and his influence, H. Graham Lowry, **How the Nation Was Won**, Vol. I (Washington, D.C.: Executive Intelligence Review, 1988).

powers lurking under the floorboards of known sense-perception. We have the case of the fanatically irrational Adam Smith, whose plagiarism of the Physiocrats marks his advocacy of "free trade," as exposing him as yet another follower of the pagan magicians' creed of the Cathars.

Examine those Cathar-like, paganist religious notions against the backdrop of our references to the gold-fish-bowl-like popular syndromes referenced in the opening of this report. Man's fabrication of his wicked gods of fancy, is typified by the magical being, lurking under the floorboards of sensuality, the pagan's god of Locke, Mandeville, Quesnay, Smith, et al. These paganist religious currents of the reductionist, reflect the perverted way in which the human individual's power of imagination may run amok whenever presumably self-evident sorts of invisible principles replace that search for truth which is typified by Plato's Socratic method of hypothesis. The ivory-tower definitions, axioms, and postulates of Euclid, like the related Aristotelean error in astronomy by Claudius Ptolemy, Copernicus, and Tycho Brahe, illustrate the point. The root of those ivory-tower arguments, is traced in European history through the role and methods of the ancient Eleatics and their sophist followers, whose tradition is the essential feature of most contemporary academic and related teaching of economics in universities today.

Such are the pro-paganist psychopathologies expressed by the substitution of "financial investment" for improved production of physical goods. The fact that such pathologies are currently prevalent popular opinion, does not mean that they represent valid (per-chance, because "sincere") opinions; the more popular such beliefs, the more dangerous they are to society, the more they tend to express that type of epidemic threat to society fairly called a mass psychosis. The worst crimes against humanity are often perpetrated under the banner of that morally less than worthless quality of "sincerity."

That kind of sincere addiction to one's own mental habits, is the way a nation, a culture, an entire people destroys itself. Like the deluded children of Hamelin whom the Pied Piper led to destruction, so such trends in popular opinion have been leading the overwhelming majority of the people of the U.S.A. toward collective self-destruction during recent decades, in the aftermath of the 1962 missile-crisis and the Kennedy assassination, in the wake of the plunge into the folly of the official U.S. war in Indo-China, especially those vic-

tims of the heritage of Trumanism and like pathologies, who passed out of adolescence during that time.

To cure a nation of the kind of willful self-destruction which has gripped the population of the U.S.A. (among other nations) increasingly over the recent forty years, it is not sufficient to say, "Yes, I admit that is pretty sick." Often, in the next breath, the person who makes that confession will add, "But there is nothing I can do to change that. That is the way I am, and you will have to learn to live with it." The victim of such delusions must recognize the pathological "mechanisms" which are controlling his mental behavior. He must be made conscious of the axiom-like beliefs which are controlling his behavior; only by being aware of, and electing to uproot those pathological, axiom-like assumptions, can the victim be freed of a compelling mass-delusion of a form such as blind faith in "free trade."

Hence, my fable of the goldfish bowl. The challenge is to make conscious those kinds of axiomatically pathological assumptions which transformed a nation which President Franklin Roosevelt had saved, into a nation which began to slip from victory, toward self-corruption, and then self-destruction, over the span of the decades since the Allied forces breakthrough at Normandy in 1944.

To deal with such a mass-disorder, two elements of knowledge must be supplied to the victims. First, the rigorously scientific basis for the concept of the goldfish bowl. Second, the falseness of the specific, axiomatic-like assumptions which act as the walls of the imaginary bowl within which the victim's mind has been contained. Thus, does a people awaken to free itself from a recurring nightmare such as that which has gripped the U.S. population, increasingly, during the recent forty years.

Begin by looking again at the way in which the relevant axiomatic delusions have been induced. Call this complex of delusion, the Aristotle-Euclid-Ockham-Descartes-Newton syndrome.⁵¹ In other words, reconsider, more concisely, the immediately preceding paragraphs' treatment of certain contemporary manifestations of this pro-Satanic, pro-paganist delusion.

51. Claudius Ptolemy's intentional hoax was premised on the doctrine of Aristotle. The same "authority" of Aristotle was the source of the blunders of both Copernicus and Tycho Brahe, as well as the revival of Ptolemy's Aristotelean hoax by the Venice-led anti-Renaissance (e.g., Zorzi) of the early Sixteenth Century. Where one writes "Euclidean" in modern mathematical practice, read either "Aristotelean," or the Ockhamite neo-Aristotelean empiricism of Paolo Sarpi et al.

Essentially, Newton Was a Fruit-Cake

The British establishment of that time chose the famous banker John Maynard Keynes as the scientific intellect best qualified to open and assess the contents of a chest containing the papers of the legendary Sir Isaac Newton's "lost" papers. On that occasion, Keynes astonished the audience for his report, by, saying, in effect, that after examining those papers, he had been compelled to virtually slam the chest shut, simply to protect the reputation of the Anglo-Dutch Liberal system. He explained his actions with words to the effect of saying that Newton was a simmering mass of utterly anti-scientific pagan religious delusions, delusions of the character of "black magic."⁵²

The apotheosis of Newton, from his status as an academic dabbler in black magic, to a celebrity of the Eighteenth-Century Enlightenment, was accomplished by a leading figure of that Enlightenment, a Paris-based Venetian mystic, Abbé Antonio Conti.⁵³ Conti, a key figure of a network of salons, including those of Voltaire, Maupertuis, Euler, et al., was a leading influence behind the Eighteenth-Century Enlightenment. Conti's professedly adopted guide to matters of science and philosophy, was Descartes. However, in the matter of "programming" what became the targetted figure of Newton, Conti stipulated that Descartes must be introduced somewhat surreptitiously among the English, by concealing the specifically French flavor of Descartes' work. A salon, built up around Dr. Samuel Clarke, was established in England to carry out the desired tilting of Newton's already fragile mental balance. Conti, operating from France, orchestrated the use of puppet Newton for a politically motivated attack on Leibniz inside England itself. This influence of Conti, through London, Voltaire, and the circles of Maupertuis and Euler in Berlin, gave us the Eighteenth-Century Enlightenment's Newton myth, a myth which has continued to pollute classrooms and popular opinion alike, through the present day.⁵⁴

The setting for Conti's operation was crafted by a fraudulent treatment of the late-Seventeenth-Century English translation of Kepler's 1609 **The New Astronomy**. The notion of "action at a distance," concocted as an attack on Kepler's work by the empiricist Galileo,

52. John Maynard Keynes, "Newton the Man," in **Essays in Biography** (New York: The Norton Library, 1951).

53. (1677-1748).

54. *The Controversy Between Leibniz and Clarke (1715-56)*, in **Gottfried Wilhelm Leibniz: Philosophical Papers & Letters**, Leroy E. Loemker, ed. (Dordrecht: Kluwer Academic Publishers, 1989), pp. 675-721.

was employed by those who guided the initial phases of Newton's famous *Principia*. News from Paris, that Gottfried Leibniz had discovered a solution for Kepler's demand for the development of a calculus, prompted the fraudulent claims on behalf of London's Newton, claims that Newton, who had apparently discovered nothing more notable than the possibility of opening a window in the house of Parliament, had discovered what was actually a useless counterfeit of a calculus, a discovery which London claimed Newton had made even prior to Leibniz's work.⁵⁵

In this fashion, the influences of the neo-Aristotelean argument (against Cardinal Nicholas of Cusa) by Venice's appointed marriage-counsellor to Henry VIII, Francesco Zorzi (a.k.a. Giorgi), the Neo-Ochkamite empiricism of Paolo Sarpi and his lackey Galileo, and the work of Descartes, were melded into a single, mystical, reductionist brew: the Newton Myth, by Conti, Clarke, Voltaire, Maupertuis, Euler, et al.

However, our issue here is not the Newton case as such, but the reflections of the same goldfish-bowl-like reductionist ideology in the forms commonly encountered among U.S. adolescents and adults, among others, today. The role of the Euclidean model of "ivory tower" sets of definitions, axioms, and postulates, provides the simplest kind of rigorous explanations of the kinds of mental disorders expressed by fishbowl ideologies generally.

As I have emphasized this point, repeatedly, in earlier locations, the unique role of Gauss' first, 1799, presentation of **The Fundamental Theorem of Algebra**, is that it references directly the issue of *powers*, as that issue had been treated rigorously by the Pythagoreans and Plato. This was the issue which had been fraudulently evaded by Voltaire's personal cronies or followers such as d'Alembert, Euler, and Lagrange; this has been the fatal error of all notable "ivory tower" and other reductionist teaching of mathematics and mathe-

55. See Leibniz on "The Origin of the Calculus." Leibniz's first major report on his discovery of the calculus, was presented to his Paris printer in 1676, shortly before Leibniz's return to Germany from his 1672-1676 work with Christiaan Huyghens et al., under the patronage of Minister Jean-Baptiste Colbert. Leibniz's early work on the calculus, when combined with the Leibniz-Bernoulli development of the notion of an infinitesimal physical calculus associated with a principle of universal least physical action, is the principal antecedent of Gauss' **The Fundamental Theorem of Algebra**. Newton's practically useless notion of fluxions, etc., was, at its least worst, simply a rehashing of simple mathematical series, which had no relevance to that matter of physical singularities in experimental evidence, which is central to any competent physical notion of the function of a mathematical calculus.

matical physics since.

However, although that error is locatable within the domain of today's taught mathematics doctrine, it is not essentially a mathematical issue. It is merely a lawful reflection, upon the domain of mathematics practice, of a deeper problem, a problem of a different origin: the typical, systemic pathologies suffered by the individual human mind.

The study of the human mind must proceed, as must anything worthy of the name of truthful science, from a single principle worthy of a corresponding name. The relevant name is *psychology*. Grant, that there are many teachings parading under the name "psychology." Grant, that much reported under that title has a certain validity, even unignorable validity. Here, I mean by *psychology*, that principle which distinguishes human behavior categorically from that of beasts. That means that we must look at the evidence of what is called "psychology" in a way which is different than anything usually taught, a difference which has singular importance.

So considered, human psychology has two aspects which, taken together, define the qualitative advantage of the human mind over what might pass for the mental life of any among all beasts. First, there is human sense-perception, on which account, human mental behavior is comparable to that of the beasts. Second, there is the sovereign capacity of the individual human mind to hypothesize, as Plato's dialogues afford a rigorous notion of a *principle of hypothesis*. It is the interaction within that complex domain, so defined, between these two aspects of human mental life, which defines a single principle of human psychology.

It is aberrations in the function of hypothesis-making, which define the shortfalls and errors of human psychology in a functionally meaningful way. The distinction is to be made between truthful, which is to say experimentally validatable hypotheses, and arbitrary substitutes for such hypotheses. This distinction defines the root of such systemically pathological mental behavior as the doctrine of "free trade."

There are three apparent types of psychopathology respecting the principle of hypothesis:

1. The absurd presumption, that there is nothing real except that presented to us by sense-perception: the denial of hypothesis: *the assumption that hypothesis has no legitimate existence*.

2. The absurd presumption that, *although the mind's capability of hypothesizing might exist, there are agencies which are not knowable through methods of experimental hypothesizing*, but of which knowledge exists

“self-evidently,” without need of hypothesis, as by Newton et al. This is the underlying feature of religious and related lunacies, including neurotic compulsions and flight from reality.

3. The assumption that, our powers of sense-perception afford us infallible, *a priori* knowledge of certain “self-evident” principles of sense-perceived physical space-time, beyond which *man is incapable of knowing anything about the universe of sensible experience*. Therefore, hypothesis is not necessary, as the modern positivists, such as the devotees of Bertrand Russell, carry Aristotle, Euclid, Paolo Sarpi, Newton, or Kant to an extreme in this way.

Each and all of these presumptions occur as dysfunctions of the natural human capacity for hypothesizing.

It is the nature of those pathological forms of axiomatic-like assumptions, that the name of the assumption is sometimes a known name for *the effect* of the assumption, but that *the causal influence* which corresponds to that name is usually not a subject of conscious reflection by the victim of that belief. The power of hypothesizing, and of hypothesizing about hypothesizing, lies in a domain, the *noëtic*, beyond sense-perceptual powers as such; it is therefore not an object of sense-perception, except as it is expressed in terms of the shadows cast by experimental negation of sense-certainty. As long as that conditional aspect, the lurking experimental negation of the assumption, is not recognized, the assumption exerts an axiomatic type of influence over the behavior of its victim. The victim can not be freed from the controlling grip of that assumption, except as the victim becomes capable of knowing, and therefore controlling the assumption itself.

The poorly educated individual divides the world of his, or her mental life between a sense-perceptual domain and a fantastic “parallel universe,” the universe of his or her superstitious fantasies. He tends to distinguish the two, by denoting the first, as tangible, and the second in such terms as “only theoretical.” The power of the so-called “Seven Deadly Sins” is a reflection of the effect of that kind of dichotomy, in which bestial impulses situated within the domain of sense-perception, control the will and behavior of the victim.

This has moral, in addition to economically practical implications. The immoral reaction is, “What will that do to put food on the table of my family, here and now!?” Or, “Don’t you throw my grandchildren in my face! In my book, you take care of Number One, first, and let the next generations take care of their problems!” Or, “I am

sorry, but my choice of life-style, however arbitrary you may think it to be, is important to me.”

On this account, the terms “freedom” and “power,” as the latter is associated with Plato’s usage, are functionally interchangeable, healthy qualities of the human mind.

Power, the Transfinite, and Identity

The situation is this. You are the subject of a drama being performed on stage. Before your eyes, the representation of your part in life is being played by an actor. The play is also being played, at the same time, on the stage of your imagination. Which are you? Therefore, *who* are you?

Are you the person as conceived by the playwright and the actors? How do you see yourself: as yourself, as a ghostly, but sentient presence on the stage of your imagination, while you watch that play unfold?

You also exist in the domain of the abiotic. Your body is also a living process. Your mind, is something beyond the biology of all lower forms of life. What, therefore, is the way in which you express an abiotic action, express biology, or express that noëtic quality of mind which sets you apart from, and above beasts? Which is you? Who, then, are you? Which of you is *the power of being you*?

Most people, in most of life, some in all of their life, are buffeted, so, into a state of uncertainty about who, and what they are. Some are, therefore, failed souls, as the believing existentialist typifies this schizophrenia. Some flee into stages of the imperial Roman theater, to find themselves as the spectator accomplishing the death of the poor fellow playing gladiator on the stage below. A degenerate U.S.A. has become the popular domain of such a fugitive life-style of bread and circuses, eating snacks in the stadium, or before the television screen. These unfortunates are not searching for their real self, but, rather, fleeing from it, in this way. For many, many poor fellows, sexual intercourse as scoring a goal in a game of people-soccer, punctuates the humdrum, as the idealized asocial act.

The identity for which many seek vainly in these ways, is to be found in the essentially human act, the act of hypothesizing.

Am I human, because of my action upon the abiotic domain? Am I human, because I express the characteristics of a living creature? Or, can I also do these things, and yet be human, because, amid it all, I perform a specifically human action? What, therefore, is the nature of a specifically human action?

The answer is: It is a question of power, of what, as I have said repeatedly here so far, Plato terms *dynamis*. Look at this notion of power as Vernadsky recalled the Classical Greek notion of the abiotic, living, and noëtic. The action which sets humanity apart from, and absolutely above all other living creatures, is that power of hypothesis whose unique quality of action generates the discovery of universal physical principles. This act of hypothesizing successfully to such an effect, is something which lies outside, beyond both the merely abiotic, or the merely living. This is the power which sets the great Classical artist above and beyond the mere trained performer, or typically pathetic “rock star.”

The act of hypothesizing, as Plato’s dialogues define the meaning of that term, is the expression of that power which lies outside the abiotic and merely living, a quality of action which equips mankind with an increased power of his species in the universe at large. All of this which distinguishes man from the mere ape, occurs as an act of thought. That noëtic act of thought typifies the greatest power known to us in this universe, the power to introduce qualitative changes into the ordering of the universe. *It is in that specific quality of thinking, that a person expresses a truly human identity.*

This is also power expressed as basic economic infrastructure, as capital-intensity of production, and as the individual mind’s increased repertoire of scientific and associated technological progress. Denied the development of, and access to the use of that power, man becomes beastly, and many become beasts of burden to those who rule over them in a beastly manner.

Power, as defined by Plato, and by the Pythagoreans before him, comes into existence within society as a mental act of a distinctly specific quality. This is *the noëtic act of hypothesizing*. This generates an hypothesis, which, when proven by the physical act corresponding to the act of hypothesizing, becomes an added willful power of society in and over the universe we inhabit. This action occurs within the noëtic phase-space, as distinct from the abiotic and biotic phase-spaces. It is a mental act which, thus, exerts authority (power) over the relevant aspects of the abiotic and biotic domains. This power, so expressed, presents us with the specific superiority of the human species to all other living creatures. This is the source of *systemic increases* in the potential relative population-density of humanity. In this sense, we may speak rightly, and precisely, of the power of “mind over matter.”

It is this power which defines a competent science of physical economy. It is this conception which must

rule supreme in any competent practice of political-economy.

Hypothesis always signifies a universal principle of efficient action upon the combined abiotic and biotic domains. Hypothesizing, so situated, has several functionally distinguishing levels. Simple hypothesis, that corresponding to a specific kind of universal physical, or Classical artistic action. Higher hypothesis is expressed in such ways as the principle of development which distinguishes physical science from Classical humanist principles of artistic composition. Hypothesizing the higher hypothesis leads upward to that absolute which expresses the power of universal creation itself.

The nature of the noëtic powers of discovery of universal physical principles, puts the essential quality of society’s existence beyond the reach of knowledge limited to the abiotic and biotic domains. To indicate this distinction, we may employ the term *Sublime* to emphasize the impact of those powers operating outside the reach of the abiotic and biotic as such. This notion of the *Sublime* is, for example, Friedrich Schiller’s higher principle of Classical drama and poetry. It is the essential principle of the composition and performance of the Classical musical composition premised on the discoveries of J.S. Bach. In mathematics and physical science, the notion of the Sublime is employed as interchangeable with the term *Transfinite*.

In Schiller’s typical case, of Jeanne d’Arc, Jeanne’s sense of immortality rises above her mortal terror, so that she does not betray her mission even for the sake of avoiding burning at the Inquisition’s stake. This example typifies all of those considerations which make us human, considerations which lie beyond the abiotic and biotic, in the domain of the noëtic powers of the human mind. Jeanne asserts her immortality, whose expressed substance is those noëtic powers.

All Classical art relies upon the principle of the Sublime. The role of irony, including metaphor, in a literate speech capable of conveying actual ideas, reflects the principle of the Sublime. The Classical role of the principle of the flank in strategy, has the same implications. In economy, the improvement of the productive powers of labor, of a society’s potential relative population-density, expresses the same role of principles lying beyond established habits of practice, principles accessed only through the noëtic powers of mind.

In his better years, before insanity overtook him in the 1890s, Georg Cantor had developed a notion of the mathematical Transfinite, which is found intact in his

Grundlagen and his *Mitteilungen* of the middle to late 1880s.⁵⁶ My shock in a 1952 reading of Bertrand Russell accomplice Philip E.B. Jourdain's treatment of Cantor, under the rubric of **Contributions to the Founding of the Theory of Transfinite Numbers**,⁵⁷ had the fortunate effect of driving me back to the standpoint of Riemann's 1854 habilitation dissertation. Even granting Cantor's relatively weak position in the matter of the continuing implications of the Weierstrass-Riemann controversy, the Cantor of the mid-1890s can not be reconciled with the notion of the Transfinite found clearly stated in Riemann's habilitation dissertation, or of Cantor himself of the mid-1880s.

The issue of economic policy which is the subject of this discussion of the roots of policies of tariffs and trade, is an ontological issue, for which the comparison of Riemann's notion of the Transfinite and the shifting notion of Cantor, are of elementary importance.

Who, then, is the human actor? Who are you? Which are you? Are you the person described by the playwright, the other person acted on stage, or are you the person who changes the physical geometry of the world within which you act, the person for whom nothing is constant but change, *the Sublime*? Are you the person performing that noëtic action of change which, as an act, defines the difference between man and ape?

If not, your personal identity falls between the cracks of the stage on which Hamlet died.

In the science of physical economy, as I have defined and applied it with notably exceptional success as a forecaster during these recent decades, it is changes in governing principle of action which measure the performance of the man, for better or, as in the case of the U.S. and Europeans' economies' overall performance since about 1968, for worse. The same decadence pervades modern business management generally.

56. Georg Cantor, *Gesammelte Abhandlungen Mathematischen und Philosophischen Inhalts* (Berlin: Verlag von Julius Springer, 1932; 1990 reprint), pp. 165-209, 378-439. On documentation of Cantor's later insanity, *Georg Cantor Briefe*, Herbert Meschkowski and Winfried Nilson, eds. (Berlin: Springer-Verlag, 1991).

57. (New York: Dover Publications reprint edition, 1952, 1953). Cantor's use of "*Hypotheses non fingo*" in the 1895-1897 *Beiträge...* is tell-tale. Compare this with Cantor's correspondence with Johannes Baptist Cardinal Franzelin, S.J., as in Meschkowski-Nilson pp. 252-258. On the earlier Cantor, see the notes on pp. 204-205 of the *Gesammelte Abhandlungen*, respecting the roots of Cantor's work in the Pythagoreans, Plato, Nicholas of Cusa, and Leibniz. The evidence is, that, in effect, the Cantor of the 1890s had been brainwashed by his tormentors, Kronecker, et al. Subjected to similar treatment by the followers of Ernst Mach (during the 1914-1917 war-time interval), Max Planck proved more durable.

Incompetent Management Today

The post-1964, systemic disintegration of the relatively successful U.S.A. and western European economies of the Franklin Roosevelt legacy, was brought about on two levels, the so-called "macro" and "micro." This incompetence is typified by what we have met, increasingly, over the course of recent decades, as the entrepreneurial role of what German usage calls the *Mittelstand* (closely held entrepreneurships, especially in science-technology and kindred domains) was superseded by the ruinous effects of the takeover of management of such enterprises by a younger generation, "the Baby Boomers." The degeneration in quality of management coincided with, but was not limited to the phenomena of the "environmentalist" panic spread among the "68ers." The habits of mismanagement associated with the pervasive business failures of today, are systemic within the generation, rather than being limited merely to the incompetence of the relatively more fanatical "environmentalists."

The lunatic adoption of "triage" as a business-management policy, an echo of "fiscal austerity," is the infallible symptom of such insanity spread among the "Baby Boomer" component of management practice today. The adoption of Garn-St. Germain and Kemp-Roth legislation by the U.S.A. of the early 1980s, following the organized mass-lunacy of Paul Volcker's adoption of the doctrine of "controlled disintegration of the economy," are reflections of the kinds of changes to the outright madness which has ruined and ruled U.S. and European business management since.

Today, most persons in relevant leading positions in government and business simply do not know what the principles of formerly good business management were. It is on this account, that the Depression of the 1930s was less dangerous to society than the systemic monetary-financial collapse hitting Europe and the Americas, among other locations, today.

Real economic growth, including, of course, growth of productivity generally, is an expression of the Sublime. Good management expresses a commitment to forms of change of practice, for the sake of technologically progressive change as such, which contribute to increase of society's productive powers of labor per capita and per square kilometer. The uniquely essential function of private entrepreneurial ownership and management in modern society, its superiority, in principle, over corporate management in shareholder interest, lies in the entrepreneur's impassioned, and, hopefully,

rightly informed dedication to do something good for society.

The source of true general economic, and ordinary business growth lies in changes of which Heraclitus and Plato would consider themselves obliged to approve. It is the creative powers of the mind, as I have stressed that here, which are the source of the forms of action on which the durable success of economy depends.

Typical is my sponsorship of a new quality of youth movement, focussed upon recruits from the 18-25 age-interval, the university-eligible age-interval. At a time when the generation of the parents of these young men and women had fled chiefly into a sterile pursuit of a "comfort zone" life-style, as typified by their preferences in entertainment, those viable younger minds in the 18-25 age-interval looked at their parents' generation with the pained, accusing intent: "You have given us a society with no future!" Those younger people are absolutely right!

I have observed with conclusive results, that this view of that younger generation of adults, is usually met with bitter resentment, even outright rage, from their parents' generation: "You young people have no respect for us! You are disturbing our life-style!" The older generation is absolutely, systemically wrong. This is now a pervasive generational conflict between the future (the young adults of the 18-25 interval today) and the recent past (the generation of the 68ers).

The only hope for globally extended European civilization today, is that the younger generation, as best typified by my youth movement's associates, will win their parents' generation back, from the corruption habitual to most among today's 68ers, to a future-progress-orientation, away from a moribund, decadent "life-style comfort-zone" sewer. Together, united by adopting the better future as a common cause, a recovery of civilization is in reach. The presently onrushing systemic breakdown-crisis of the present world economy gives the world no choice but to bring that reversed cultural-paradigm shift about.

To understand the economic ramifications of this inter-generational crisis, we must see how this same problem of decadence is presently expressed in most business and related practices.

Formerly, despite the widespread influence of reductionist ideologies, the "eccentric genius" sometimes disguised as a businessman insisted on introducing kinds of technological innovations in designs of product and business practices, which contributed to

uplifting the average physical productive powers of labor. It was these relatively exceptional leaders in the voluntaristic microstructure of the economy, including the compulsively progressive artisan and technician encouraged by such business leaders, who caused an increase in the productive powers of labor of the society.

With the rise of the 68ers, there was a disastrous change, from emphasis on introducing a scientific-technological improvement, into mere financial profits from peddling post-industrial ideology, even profits (and losses) of a purely speculative nature, such as gambling in the financial markets. As the physical economy collapsed through the post-1977 lowering of the net physical income of the lower eighty percentiles of U.S. family-income brackets, and as entire regions of the U.S.A. were collapsed through effects of deregulation and related causes, what could be extracted by selling became less and less, as the real economy contracted.

Look at the way in which this is expressed in salesmanship.

In the relationship between the vendor and the customer, there is a seemingly subtle, but crucial transmission of those ideas of a type which echo the creative mental potential of the people. These ideas, as expressed in more or less useful products, promote the kinds of changes in mass behavior from which real physical-economy profit of the nation, or a particular enterprise, is derived.

With the older generation of U.S. and European management, the tendency to proceed in that way was more or less instinctive among qualified managements. Among those of today's business leaders and political figures who reached their 18th birthday about 1964 or later during the 1964-1977 interval, that instinct has been lost, or even abhorred.

Look at the youth movement which I have sponsored against that background.

I defined the character of a viable youth movement for our time as centered in the 18-25 age-interval, and composed around the initiating theme of Carl Gauss' 1799 attack on the fatal error of the empiricists Euler, Lagrange, et al. The choice of that work of Gauss was made because of Gauss' direct attack on the problem of knowable scientific truth. In today's Americas and western Europe, where the most extreme sophistry typified by the 68ers is prevalent, no concept of truthfulness remains efficiently expressed by the generality of education or adult behavior of the 68ers' generation. Existentialism typifies the sophistry, the irratio-

nalism, the fanatics' hatred of truth, as was spread among the 68ers and others. Yet, without a valid sense of truth, no young generation can cope reasonably with the pervasive sophistry of a reigning generation of their parents and the like.

Thus, when faced with issues touching upon these considerations, the typical Baby Boomer assembles his or her klatch for a confidential discussion beforehand, and then marches into the subsequent negotiations prepared to evade discussion of any facts which might lead to deliberations offensive to the conspirator's intention to defend their chosen ideological "comfort zone" against any mere facts. The fact that such behavior is morally dishonest, is rated as of less moral importance than the "comfort" which the lying defends.

Without a commitment to truth, of the type which Gauss' 1799 attack on the hoaxes of Euler, Lagrange, et al., typifies, it were not possible to produce a viable new leading current from among the youth of today's society. Without that element of influence from youth, their parents' generation would probably remain unsalvageable.

Thus, anti-sophistical notions of creative truthfulness, expressed as ideas generally, and policies proposed, are the most essential source of economic value today. Without the communication of truthful ideas, contrary to the decadence prevalent among today's otherwise self-doomed, reigning generation of 68ers, there were little hope for global civilization's escape from a presently onrushing planetary new dark age.

It is the transmission of that quality of ideas corresponding to fruits of the cognitive powers unique to mankind, which is ultimately the only source of economic value for society. It is that form of action that economic growth represents. It is, thus, the transmission of valid ideas, not merchandise as such, which is the primary source of profitable forms of growth of the firm or the society as a whole. The worst of all practices is the attempt to maintain profit-margins by triage of those elements of the operation which generate progressive forms of change within the population of one's market.

Thus, without youth movements of the type which I have initiated, there would be little hope for the resuscitation of society presently at the brink of a general economic breakdown.

That view of the present situation is to be taken as one illustration of the general class of problems represented by the goldfish-bowl syndrome.

The pathetic forms of Baby Boomer behavior just referenced, correspond rather neatly to Kubie's notion of the neurotic distortion of the creative process. Certain axiomatic-like, false assumptions, create a bowl of "protection" against evidence which is implicitly contrary to those assumptions. This is combined with a relatively fixed character of the axiom-like assumptions which were employed to constitute that "protective bowl."

However stubbornly the victims of that shared delusion cling to the protection of that bowl, their success in defending their collective delusion merely ensures that the bowl will carry them to the doom toward which the bowl itself is being delivered. Then, if the society does not get out of that bowl, that virtual sinking *Titanic*, before the bowl goes under, the society will be destroyed by an act of its own willfulness in defending the bowl.

That is the situation of the U.S. population today, especially its Baby Boomer strata. If it continues clinging to the acquired assumptions, contrary to the tradi-



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"The only hope for globally extended European civilization today, is that the younger generation, as best typified by my youth movement's associates, will win their parents' generation back, from the corruption habitual to most among today's 68ers, to a future-progress-orientation, away from a moribund, decadent 'life-style comfort-zone' sewer." Here, LaRouche Youth Movement organizers campaign in New Hampshire, using pedagogical examples from constructive geometry.

tion of American technological progress, since the 1964-1972 change, this nation will be destroyed, carrying most of the world down with it. The willingness of those youth who have associated themselves with my youth-movement project, that not only in the U.S.A., but in significant examples within the Americas more widely, in Europe, and beyond, demonstrates the existence of a viable option for bringing about the rapid change in cultural orientation upon which the avoidance of a new dark age depends.

Protectionist Implications

The national economic interest of the U.S.A. corresponds to the level of development of the productive powers of labor which corresponds to a reasonably targeted level of improvement of the sustainable potential relative population-density of our nation considered as a whole.

This achievement depends, essentially, upon the development of the employment of those *powers*, as Plato defined *powers*, whose typical expressions are accumulations of experimentally validated universal physical principles, or of cultural principles of a kindred import.

The development and maintenance of those employed powers, and further improvements in that direction are, to a large degree, made possible through various forms of capital investment in the physical capital of basic economic infrastructure, in public infrastructure, in capital improvements of entrepreneurial enterprises, and in the physical and cultural standard of living of the family households of our national labor-force.

Under the provisions of a protectionist form of policies of tariffs and trade, if operating within the framework of an international fixed-exchange-rate monetary-financial system, it is practicable to define a spectrum of “fair prices” of commodities at the export-import interface of our economy with the international market. In that case, prices of our commodities may decrease as a result of technological advances which do not lower quality, except that wage-reductions may not be routinely employed as a means for price-reductions of commodities. Trade (import, export, or both) may be used as an added means for regulating forms of price-stability intended to protect the relative physical value of capital invested. In general, lowering standards of living of households as a means for making goods “more competitive,” is effectively outlawed.

Look at what I have just said against the background

of that aspect of the post-1977 wrecking of the U.S. economy accomplished by deregulation of freight and passenger traffic. The result was to concentrate traffic among a limited number of “hubs,” with the effect of driving communities in outlying regions into virtual collapse, and often depopulation. This meant that the productivity of the U.S.A. as a whole collapsed per square kilometer, with an accompanying net collapse of the net physical output produced by the population as a whole. Insanity? Yes: insanity engendered by the spread of the lunatic dogma of “free trade.”

The object must be to increase the effective physical output both per capita and per square kilometer. This desired effect is fostered by standardized freight-rates, convenient mass-transit of passengers among both principal hubs and regional centers, to such effect that the optimum use is made of the potential represented by the total population and total area of the nation.

Similar advantages from regulation of trade and tariffs are to be sought among nations, more or less on a global scale. Thus, we must encourage the relevant *physical capital formation* throughout the planet, to optimize the rate of increase of per-capita and per-square-kilometer gross and net outputs.

The general principle, bearing on tariffs and trade, illustrated by those cases, is the urgency of shifting the notions of cost and profitability away from cheapness of the physical-capital costs of production and distribution, to gains in the margin of growth per capita which are obtained through raising the objective standard of living and quality and relative intensity of capital formation.

The initial emphasis must be upon large-scale and massive investment in basic economic infrastructure, to effect an urgently needed, qualitative change in the environment of production and family life. That emphasis on basic economic infrastructure, is the only durable means for promoting a general regrowth of a viable private sector.

However, none of this could be accomplished, without reference to the successes of President Franklin Roosevelt in saving the U.S.A. from both a depression at home, and the threat of a Nazi-led world-empire. This requires junking Adam Smith and everything that smells of him, and returning to the constitutional principles of the American System of political-economy as described by Treasury Secretary Alexander Hamilton and others. This means the restoration of those practices of regulation, including protectionism, associated with the Franklin Roosevelt revolution of the 1930s.